

AUDIT COMMITTEE TERMS OF REFERENCE

Revised 16 March 2023

Membership

1. The Committee shall be appointed by the Board of Cohort plc (the **Company**) from amongst the Non-Executive Directors. The Committee shall consist of not less than two members. A quorum shall be two members.
2. Appointments shall be for a period of up to three years which may be extended for up to two additional three-year periods, provided members continue to be independent. The current members of the Committee are Beatrice Nicholas, Edward Lowe and Jeff Perrin.
3. The Chair of the Committee shall be appointed by the Board. Jeff Perrin is the current Chair of the Committee. In the absence of the Committee Chair and/or their appointed deputy at a Committee meeting, the remaining members present shall elect one of themselves to chair the meeting.
4. The Chief Executive, Executive Directors, Company Secretary, and other Senior Managers may be invited to attend meetings by the Chair of the Committee.

Attendance at Meetings

5. The external auditor will be invited to attend meetings on a regular basis. At least once a year, the Committee shall ensure that it meets with the external auditor without Executive Board members present.
6. The Company Secretary, or such nominee as approved by the Chair, shall act as the Secretary of the Committee. The Secretary shall attend meetings and record the proceedings and decisions of the Committee for prompt circulation to all Committee members. Once approved, minutes shall be circulated to other Board members, unless a conflict of interest exists.

Frequency of Meetings

7. The Committee will hold a minimum of three meetings each year timed so as to allow the Committee to consider:
 - a. the audit plan and approval of the audit fee; and
 - b. the interim and annual financial accounts together with related advice from the external auditor and, as appropriate, to recommend the accounts' adoption by the Board.
8. Additional meetings may be summoned by the Secretary of the Committee at the request of any of its members or the external auditor.
9. Outside of the formal meeting programme, the Committee Chair will maintain a dialogue with key individuals involved in the Company's governance.

Notice of Meetings

10. Unless otherwise agreed by the Committee, notice of each meeting confirming the venue, time, and date together with an agenda of items to be discussed, shall be forwarded to each member of the Committee no later than two working days before the date of the meeting. Supporting

papers shall be sent to Committee members at the same time. Ad hoc meeting may be called on shorter notice by agreement of at least two of the Committee members.

11. Notices, agendas and supporting papers can be sent in electronic form.

Minutes of Meeting

12. The Secretary shall minute the proceedings and decisions of all meetings of the Committee, including recording the names of those present and in attendance.
13. Draft minutes of Committee meetings shall be agreed with the Committee Chair and then circulated promptly to all members of the Committee. Once approved, minutes should be circulated to all members of the Board, unless it would be inappropriate to do so in the opinion of the Committee Chair.

Authority

14. The Committee is authorised by the Board to investigate any activity within its terms of reference.
15. The Committee will have access to such information and advice as it requires, at the expense of the Company, both from within the Company and externally, as it deems necessary.

Duties

16. The Committee shall carry out its duties for the Company and the group and shall perform its duties taking into account all relevant laws, regulations and codes of practice, including the Quoted Companies Alliance (**QCA**) Code, the QCA Audit Committee Guide and the AIM Rules for Companies.
17. The Committee will have oversight of the group as a whole and the duties of the Committee shall be kept under periodic review. Unless required otherwise by regulation, the duties of the Committee will include those listed below for the Company, major subsidiary undertakings and the group as a whole.

Financial Reporting

18. To review the integrity of the financial statements of the Company, including:
 - a. the interim and annual financial statements;
 - b. any other formal announcement relating to its financial performance; and
 - c. significant financial reporting issues and judgements which those statements contain, having regard to matters communicated to it by the auditor, before recommending the related accounts to the Board.
19. In particular, to review and challenge where necessary:
 - a. the application of significant accounting policies and practices and any changes to them;
 - b. the methods used to account for significant adjustments or unusual transactions where different approaches are possible;
 - c. whether the Company has followed appropriate accounting standards and made appropriate estimates and judgements, taking into account the views of the external auditor;

- d. the proposed statement on going concern and viability for inclusion in the annual report;
- e. the use of alternative performance measures and their benefit to stakeholders;
- f. the clarity and completeness of disclosure in the Company's financial reports and the context in which statements are made; and
- g. all material information presented with the financial statements, such as the business review/operating and financial review and the corporate governance statement (insofar as it relates to the audit and risk management).

Narrative Reporting

- 20. Where requested by the Board, the Committee should review the content of the annual report and accounts and advise the Board on whether, taken as a whole, it is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy.

Internal controls and risk management systems

- 21. To keep under review the adequacy and effectiveness of the Company's internal financial controls and internal control and risk management systems, and how these are reflected in the annual report.
- 22. Review and approve statements to be included in the annual report concerning internal financial controls and risk management including the assessment of principal risks.

Compliance, whistle blowing and fraud

- 23. To review the adequacy and security of the Company's arrangements for its employees to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters. The Committee shall ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action.
- 24. To review the Company's systems and controls for the prevention of bribery and receive reports on non-compliance.
- 25. Review the Company's procedure for detecting fraud.

Management of Risk

- 26. To review the risk assessment programme, including the need for an internal audit function.
- 27. To ensure that the risk management programme is adequately resourced and supported by management and the Committee.
- 28. To review the process for risk management including cyber security, financial and operational controls, monitoring and evaluation and its relevance, effectiveness and completeness.
- 29. The Board has ultimate responsibility for climate related risks and opportunities, the audit committee will review the proposed TCFD disclosures for inclusion in the annual report.
- 30. To consider the findings of the risk management process and management's response.

External Audit

31. To consider and make recommendations to the Board, to be put to the shareholders for approval at the next AGM, in relation to the appointment, re-appointment and removal of the external auditor.
32. To oversee the relationship with the external auditor including (but not limited to):
 - a. recommendations on their remuneration, whether fees for audit or non-audit services;
 - b. approval of their terms of engagement and the scope of the audit; and
 - c. monitor and review the external auditor's independence, objectivity and effectiveness on an annual basis, taking into consideration any threats to the auditor's independence and relevant UK and International professional and regulatory requirements.
33. To meet regularly with the external auditor and to discuss, before the audit commences, the nature and scope of the audit.
34. To review the external auditor's management letter and management's response, and to discuss problems and reservations arising from the interim and final audits, including any matters the auditor may wish to discuss (in the absence of management where necessary).
35. To review the findings of the audit with the external auditor including (but not limited to):
 - a. a discussion of any major issues which arose during the audit;
 - b. any accounting and audit judgements;
 - c. levels of errors identified during the audit; and
 - d. the effectiveness of the audit.

Engagement with shareholders

36. The Committee Chair should attend the Company's annual general meeting to answer any shareholder questions on the Committee's activities. In addition, the Committee Chair should seek engagement with shareholders as appropriate on significant matters related to the Committee's areas of responsibility.

Reporting Responsibilities

37. The Committee Chair shall report to the Board after each meeting on all matters within its duties and responsibilities. The report should include:
 - a. significant issues that were considered in relation to the financial statements and how these were addressed;
 - b. an assessment of the effectiveness of the audit process; and
 - c. any other issues on which the Board has requested the Committee's opinion.
38. The Committee shall make whatever recommendations to the Board that it deems appropriate on any area within its remit where action or improvement is needed.
39. The Committee shall compile a report on its activities for inclusion in the annual report. The report should describe the work of the Audit Committee, including:

- a. significant issues that were considered in relation to the financial statements and how they were addressed;
- b. an explanation of how the Committee assessed the independence and effectiveness of the external audit; and
- c. an explanation of how auditor independence and objectivity are safeguarded.

40. The Committee has the right to publish in the Company's annual report, details of any issues that cannot be resolved between the Committee and the Board.

Other

41. To consider other topics within its remit and/or as defined by the Board.

Assessment of the Committee

42. The Board will consider the effectiveness of the Committee in carrying out its duties.

Approved by the Board on 16 March 2023